ITT TITLE: East of England Forecasting Model

You are invited to tender for an assignment for the East of England Local Government Association (EELGA). The purpose of this assignment is to *maintain an economic forecasting model and produce outputs from this model for two years.*
Set out elsewhere on the EELGA website are details of the EELGA standard terms and conditions to which all appointments will be subject. (Follow this link: http://www.eelga.gov.uk/)

Context

EELGA is a voluntary association set up by the 52 local authorities in the East of England. Its work is concentrated in areas where, by working together, authorities can add value to their activities. It is a forum through which its member authorities can identify and share best practice for the benefit of the people and communities they serve. Of particular relevance to the East of England Forecasting Model are the following objectives of EELGA:

- to protect, promote and support democratic local government in the region;
- to provide fora for the discussion of matters of common concern to member authorities as a means by which joint views may be formulated and expressed;
- to provide cost-effective services to member authorities in accordance with their wishes, including the dissemination of accurate and timely information on all local government and other relevant issues.

Background to this Project

In 2007 and 2008, the East of England Development Agency (EEDA) led the development and delivery of an East of England Forecasting Model (EEFM), which has been widely used by organisations throughout the region.

EEDA owned the copyright and intellectual property to the model until May 2011, when the East of England Local Government Association (EELGA) assumed full ownership and control of the model on behalf of all local authorities, and the day-to-day management of the model transferred to Cambridgeshire County Council, under a Service Level Agreement with EELGA.

An external contractor developed the model on behalf of EEDA, and they maintained and provided the outputs for the model in an initial contract for 2007/08, and a subsequent contract for 2009/10. This contract has expired and EELGA wishes to

procure a contractor to manage and run the model for the next 2 years, 2011 and 2012.

Details on the background to the model, and its development, are available here: http://www.insighteast.org.uk/viewArticle.aspx?id=17083

A regional steering group will oversee the model and its outputs, meeting twice a year. Consultants are expected to attend these meetings.

The model provides forecasts for the following indicators at local authority district, county, regional and (selectively) UK levels:

- Workplace jobs by sector
- Employed persons on a workplace basis
- Employed persons on a residence basis
- Net commuting
- Productivity
- GVA
- Population
- Migrants
- Unemployed
- Households
- Dwelling stock
- CO2 emissions

Purpose of the Assignment

1) To manage an economic forecasting model for the East of England, requiring maintenance and updating, and provision of outputs once a year;
2) To utilise the model to deliver an economic forecasting service for the region and sub-regions (counties, unitaries and district authorities), providing forecasts to inform decision-making and planning in the region;
3) To provide high-quality support and advice to model operators/users;
4) To provide quality assurance reports on the model;
5) To provide training courses to support users' understanding and use of the model.

Project Outputs

There are three sections to the project delivery and report, with a fourth section as a separate costed option.

SECTION 1: OPERATION AND MANAGEMENT OF THE FORECASTING MODEL

The model was developed and run by Oxford Economics during 2007/08 and 2009/10. EELGA owns the copyright and intellectual property to the model and the associated data: guidance manuals and specifications will be provided to the successful

contractor to assist them in carrying out this assignment.

The specific outputs under this section include:

1-1. maintaining, updating, operating and managing the model on EELGA's behalf;

1-2. providing a user guide and user interface for the East of England Forecasting Model, both suitable for a non technical audience;

1-3. providing one half-day training course per year to cover the use of forecasting models generally and the use of the East of England Forecasting Model specifically.

SECTION 2: PROVISION OF REGULAR OUTPUTS OF THE FORECASTING MODEL

2-1. The model would be run once a year, with all data tables being provided to EELGA and its partners.

2-2. Each model run will produce outputs for four scenarios – the base case and three additional scenarios. The specifications for these additional scenarios will be decided by EELGA and its partners.

2-3. A summary paper will be issued at each run to describe the input variables and summarise the differences between the various scenario outputs. For ease of use by partners, this should set out all the information for each local area separately.

2-4. At the regional steering group meeting following each model run, the contractor will present the results and address any questions arising. Where questions cannot be resolved immediately, they will be addressed within 5 working days or to a timescale agreed by EELGA and its partners.

2-5. Following each model run, the contractors will also be expected to present the results to a general audience comprising Local Authority officers and members.

<u>Consultants are requested to provide:</u>

- A summary of their technical specification for the model, including any proposed adjustments to the existing model specification;
- Recommendations on the timing of the two model runs during the period 2011 and 2012 (one per year), with supporting rationale.

SECTION 3: QUALITY ASSURING THE FORECASTING MODEL

It is essential that the model is effectively quality-assured, and that EELGA and its partners are absolutely clear about the underlying assumptions, the currency/ timeliness of the base data, and other technical considerations.

Consultants will be expected to provide, at a minimum, the following outputs and services:

3-1. A statement on how the model differs from the other main forecasting models on the market, with a broad indication of how these differences are reflected in outputs;

3-2. A checking report conducted as part of the consultant's internal quality assurance processes;

3-3. Details of all the datasets used to source the model's baseline data (so users are clear about its currency and timeliness);

3-4. Details of how regional-level targets and datasets have been apportioned to local authority level, and vice versa;

3-5. A list of the key assumptions used to derive the model, and a log of any changes to these assumptions;

3-6. Notification and presentation of any proposed changes in key assumptions or model operations to the regional steering group for approval;

3-7. Attendance at regional steering group meetings. There will be two of these per year, each lasting no more than three hours, at times to be decided by EELGA and its partners. Where questions arising at the meetings cannot be resolved immediately, they must be addressed fully and effectively within 5 working days or to a timescale agreed by EELGA and its partners;

3-8. Telephone support to Cambridgeshire County Council (on behalf of EELGA), to deal with occasional unforeseen queries as they arise, and to respond to these queries within 5 working days or as agreed.

<u>Consultants are requested to specify:</u>

- A process for quality-assuring the model;
- Their approach to ensuring the model is transparent, so EELGA and its partners have a clear understanding of its underlying structure and assumptions;
- An assurance that questions from EELGA and its partners will be dealt with promptly and effectively;
- Who will be attending the six-monthly regional steering group meetings, and why they are qualified to do so;
- Any limitations they perceive to full updating of the underlying base data.

<u>Total costs for options 1 to 3 should be provided as the basis for the total cost of the proposal.</u>

Section 4 below presents a separate costed option that may, or may not, be taken up as part of the final contract:

SECTION 4: SEPARATE COSTED OPTION FOR ADDITIONAL GEOGRAPHIES

The current model provides forecasts for the East of England region and sub-regions (counties, unitaries and district authorities).

4-1. EELGA wishes to have a separate costed option to extend the model to provide forecasts for the additional geographies covered by the Greater Cambridge and Greater Peterborough LEP (Rutland UA), the Kent, Greater Essex and East Sussex LEP (East Sussex County, Kent County and Medway UA) and the South East Midlands LEP (Corby, Daventry, Kettering, Northampton, South Northamptonshire, Aylesbury Vale, Cherwell and Milton Keynes UA), and also the two additional Northamptonshire County districts (East Northamptonshire and Wellingborough) not covered by the South East Midlands LEP, so that if it wishes to do so, it can take up this option in the final contract.

Consultants are requested to specify:

- Their approach and costs for this option.

Tender Submission

Consultants are required to submit their proposal by **17:00hrs on Friday 16th September 2011 by hard copy and electronic copy (to adrian.cannard@eelga.gov.uk)**.

Please remember that your price submission must show totals for sections one to three and section four as separate items.

Project Timescale

In the event it is necessary to carry out interviews to identify a suitable contractor, these will take place on **Thursday 22nd September 2011**.

- Contract starts on **10 October 2011**
- First model outputs provided no later than **30 November 2011**
- 2 runs of the updated East of England Forecasting Model in the years 2011 and 2012 (1 per year), producing a total of 8 scenario outputs (4 each year)
- 4 steering group meetings during 2011 and 2012
- 2 user training sessions during 2011 and 2012
- 2 presentations to Local Authority officers and members during 2011 and 2012

Project management and reporting

The primary contact within EELGA during the life of the contract will be:

Name: Adrian Cannard adrian.cannard@eelga.gov.uk 01284 729409

For other queries relating to the tender, please:

Name: Rebecca Roebuck rebecca.roebuck@cambridgeshire.gov.uk 01223 715311